

## PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Gregory and Leslie Sgro  
DOCKET NO.: 05-01602.001-C-1  
PARCEL NO.: 14-34.0-307-009

The parties of record before the Property Tax Appeal Board are Gregory and Leslie Sgro, the appellants, by attorney Gregory P. Sgro of Sgro, Hanrahan & Durr, L.L.P., Springfield, Illinois; and the Sangamon County Board of Review.

The subject property consists of a 9,120 square foot vacant lot with a residential zoning classification. The subject matter of this appeal was set for a consolidated hearing based upon the merits along with Docket Numbers 05-01603.001-C-1 (Peter M. Sgro) and 05-01604.001-C-1 (Gregory and Leslie Sgro) on February 22, 2007, pursuant to a setting by the Property Tax Appeal Board.

The appellants, through counsel, appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of this claim, the appellants submitted a purchase contract revealing the subject property sold for \$10,129 or \$1.11 per square foot of land area on June 30, 2004 through a public auction. The seller was the County of Sangamon. Counsel argued the sale was an arm's-length transaction because the property was advertised for sale and sold through competitive offering by three bidders. Counsel testified he hoped to purchase the lot for substantially less than the final sale price of \$10,129. Based on this evidence, the appellants requested a reduction in the subject's assessment.

Under cross-examination, counsel was questioned regarding the method the subject was advertised for sale by auction. Counsel indicated the auction time and date were advertised in a local newspaper as well as a "book" of properties (maintained by the county) at the assessor and treasurer offices of tax forfeiture properties.

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Sangamon County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	\$	10,640
IMPR.:	\$	0
TOTAL:	\$	10,640

Subject only to the State multiplier as applicable.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's assessment of \$15,811 was disclosed. The subject's assessment reflects an estimated market value of \$47,452 or \$5.20 per square foot of land area using Sangamon County's 2005 three-year median level of assessments of 33.32%.

In support of the subject's assessment, the board of review offered testimony from Capital Township Assessor John Venturini. As background, the assessor testified the subject property was purchased in 1984 for \$98,000 when it was improved with two structures, a seven unit apartment building and a duplex. In 1992, the structures were significantly damaged by fire and demolished in 1993. Several liens were placed on the property by the City of Springfield for demolition costs and debris removal totaling \$12,830 as of January 27, 1994. Additionally, in 1993 the prior owner stopped paying the property taxes and abandoned the subject property. Subsequently, the City of Springfield filed additional liens against the subject property for weed removal. As a result of the existing liens, the assessor opined the subject property was not pursued by the tax buyers for a tax deed at the normal delinquent property tax sale. Rather, the property taxes and liens remained unpaid, and the subject property was forfeited. Therefore, ownership was transferred to Sangamon County (as Trustee) through a judicial tax deed in July 2004. The transfer of ownership to Sangamon County caused the delinquent and forfeited taxes to be rescinded and expunged in the amount of approximately \$42,000. The County of Sangamon also acquired a release of all liens against the subject by the city in order to offer the property for sale at a "surplus tax auction". The assessor argued all the aforementioned circumstances clearly indicate the surplus tax sale auction price does not in any way reflect the definition of an arm's-length transaction in order to establish the subject's fair market value.

In support of the subject's assessed valuation, the board of review submitted 10 vacant land sales considered similar to the subject. Comparable 3 sold twice. Nine of the suggested comparables are located less than  $\frac{1}{2}$  mile from the subject and eight comparables have identical zoning as the subject. The comparables range in size from 2,750 to 36,616 square feet of land area and sold from July 1997 to April 2006 for prices ranging from \$16,000 to \$375,000 or from \$2.06 to \$10.91 per square foot of land area. Two sales included demolition costs of \$2,000 and \$4,500, respectively. The assessor noted comparable sale 3b was purchased by Sgro Development Corporation, who was assumed is the appellant in this appeal. The assessor argued the comparables sales demonstrate the subject's sale price of \$10,129 or \$1.11 per square foot of land area was not an arm's-length transaction reflective of fair market value.

After reviewing its comparable land sales, the board of review was of the opinion and offered to reduce the subject's land value to \$3.50 per square foot of land area or an estimated fair market value of \$31,920. The appellants rejected the proposed stipulation.

Under cross-examination, the assessor was questioned about advertising the auction to sell properties with delinquent taxes. The assessor testified delinquent tax sale properties were not individually marketed by the county, but signs are posted on each property subject to a tax delinquency sale. The assessor acknowledged two comparable land sales are located in close proximity along the subject's street. They contain 5,626 and 12,160 square feet of land area and sold in April and November of 2004 for prices of \$16,000 and \$25,000 or \$2.06 and \$2.84 per square foot of land area, respectively, which is considerably less than the subject's assessed valuation. However, the assessor testified two individual sales "do not make the market" and the other sales were considered in proposing the \$3.50 per square foot value for the subject. He did not know if a local attorney purchased land sale 4, who also owns and has an office on an adjacent property. The assessor also agreed land sale 5 is located just two doors from the subject.

The assessor agreed land sales 6, 7, and 8, which range in size from 3,992 to 20,440 square feet of land area, are located adjacent to Springfield Clinic. They were purchased by Springfield Clinic from October 2005 to October 2006 for prices ranging from \$21,700 to \$155,000 or from \$5.44 to \$9.27 per square foot of land area. The assessor also acknowledged Springfield Clinic is using these lots for expansion of its medical facility. The assessor further agreed Springfield Clinic has great influence regarding land values in the immediate area. He also agreed the nearest Springfield Clinic property is located approximately two blocks from the subject, but the assessor considered these properties to be in the same market area as the subject. The assessor did not know if comparable land sales 1 and 2 were purchased by adjacent property owners for \$4.50 and \$5.31 per square foot of land area, respectively. He agreed if a particular property owner purchased an adjacent or contiguous property, that factor should be a consideration in determining the value of the subject. He did not know if land sale 2 backed-up to an adjacent property, also owned by the purchaser of land comparable 2.

In their rebuttal submission, the appellants argued they have no interest in, nor any control over Sgro Development Corporation, who owns four nearby vacant lots that are not contiguous to the subject as depicted on a street map. Furthermore as a legal proposition, the appellants claimed it would be inappropriate to consider the value of the subject because of its adjacency to other properties, particularly those properties owned by other persons or entities. The appellants argued the subject property should be valued individually. The appellants also pointed out the parcels owned by Sgro Development Corporation make-up a corner lot. The appellants accepted the proposition that the entire property, were it marketed as a whole, may well be worth

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\$6.00 per square foot, but the corner parcels carry the vast majority of the value, and the "satellite" parcels, of which the

subject is one, would carry a lesser value. The appellant also argued the board of review's evidence amounts to an admission that taxes were unpaid and the appellants purchase price proves the property was not even worth the value of the unpaid taxes.

Under questioning from the hearing officer, Venturini agreed some of the comparable sales are dissimilar in size when compared to the subject. When asked if the county was compelled or under duress to sell the subject property, Venturini testified it is a matter of policy that forfeited tax properties must be sold at the surplus tax auction in order to generate tax revenue for the county in the interest of all county residents. The assessor also noted the subject parcel backs up, but is separated by a public alley, to another property owned by the appellants that has frontage on 5<sup>th</sup> Street. Due to common ownership and accessibility, the assessor opined these parcels could be used in conjunction with one another in some kind of commercial enterprise.

The appellant testified Sgro Development Corporation is owned by his father. His father has owned the property at the corner of 5<sup>th</sup> Street and Lawrence Avenue for at least 45 years. At the time of hearing (February 22, 2007), the appellant testified "we have now, in the last six weeks, listed it (the subject) for sale". Sgro testified the listing price was approximately \$240,000 for "all of our property". He did not know the allocated listing value for the subject lot. For clarification, the Sgro Development Corporation properties (four parcels), in addition to subject parcel in this appeal, as well as two other parcels (under Property Tax Appeal Board Docket Numbers 05-01603.001-C-1 (owners Peter M. Sgro and Gregory Sgro) and 05-01604.001-C-1 (owners Gregory and Leslie Sgro) were all included in the listing price of \$240,000. Thus, in total there were seven parcels offered for sale at approximately \$240,000 at the time of hearing, inclusive of the subject. Counsel argued the listing price does not reflect the per square foot value of the three satellite parcels, again arguing the corner lots carry more value. No evidence to support this claim was submitted.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Property Tax Appeal Board further finds a reduction in the subject property's assessment is warranted.

The appellants argued the subject property's assessment was not reflective of its fair market value. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 183, 728 N.E.2d 1256 (2<sup>nd</sup>

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Dist. 2000). The Board finds the evidence in this record overcomes this burden.

The Property Tax Appeal Board finds the arm's-length nature of the subject's transaction and sale price to be questionable and highly suspect at best. The Illinois Supreme Court defined fair cash value as what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing and able to buy but not forced to do so. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d. 428, (1970). The evidence disclosed the subject's property was somewhat advertised for sale on the open market with multiple other properties through a local newspaper, in accordance with the law, and sold by auction. In addition, the parties of the transaction were not related. However, the Board finds the County of Sangamon was compelled not only by law, but to the benefit of all county residents, to sell the property to the highest bidder through auction, regardless if the selling price was reflective of its fair market value. Based on this analysis, the Board finds the subject's 2004 sale price of \$10,129 or \$1.11 per square foot of land area was not an arm's-length transaction with little creditability as to its fair market value. The Board notes this finding is further supported by the most similar comparable land sales offered by the board of review.

The courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (1979) and Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (1989). Since there are credible market sales contained in the record, the Board placed more weight on this evidence. The board of review submitted 10 suggested land sales in support of the subject's assessed value. The Property Tax Appeal Board placed diminished weight on five of the suggested comparables land sales offered by the board of review due to their smaller or larger lot sizes when compared to the subject. Notwithstanding their dissimilar size, the record and testimony is un-refuted that land sales 6, 7, and 8 were purchased by Springfield Clinic for expansion of its medical facilities. In reviewing the market evidence, the Property Tax Appeal Board finds Springfield Clinic may have paid a premium price to acquire these three lots. The Board further finds comparable 3, which sold twice, is less indicative of the subject's fair market value. These sales occurred in 1997 and 2002, far removed from the subject's January 1, 2005 assessment date at issue in this appeal.

The Property Tax Appeal Board finds comparable land sales 1, 2, 4, 5, and 9 offered by the board of review to be most representative of the subject in size, location, and zoning. These properties range in size from 5,625 to 12,160 square feet of land area and sold from July 2003 to July 2005 for prices ranging from \$2.06 to \$5.31 per square foot of land area. The



subject's land assessment of \$15,811 reflects an estimated market value of \$47,452 or \$5.20 per square foot of land area, which falls at the high end of the range established by the most similar comparable sales. After considering adjustments to these

most similar comparables for differences when compared to the subject, the Property Tax Appeal Board finds the market value of the subject property proposed by the board of review of \$31,920 or \$3.50 per square foot of land area is well support by the most credible market evidence contained in this record. Therefore, the Property Tax Appeal Board finds a reduction in the subject' land assessment is warranted.

Finally, the Property Tax Appeal Board finds the appellants made various ancillary arguments regarding the subject's fair market value and evidence offered by the board review. These arguments include comparable land sales 1, 2, and 4 were purchased by adjacent property owners affecting their final sale prices; corner lots carry or are more valuable than "satellite" or interior lots; and the subject lot should be valued individually with no regard to the parcels owned by Sgro Development Corporation, which is owned by the appellant's and counsel's father, or a parcel owned by counsel and his brother Peter M. Sgro, who is also a business partner. In rebuttal, the appellants argued they have no interest in, nor any control over Sgro Development Corporation, who owns four nearby vacant lots. Furthermore, as a legal proposition, the appellants claimed it would be inappropriate to consider the value of the subject because of its adjacency to other properties, particularly those properties owned by other persons or entities. The Board gave these arguments no merit.

The Board finds the appellant's submitted no substantive evidence indicating land sales 1, 2, and 4 were purchased by adjacent land or business owners, which may or may not have had an impact on their final sales prices. Furthermore, the Board further finds the appellant's submitted no substantive evidence indicating the recorded sale prices were inflated or were not arm's-length transactions. Within this context of adjacent property owners purchasing the comparables, which the appellant argued should be a factor to consider and disregarded for valuation purposes, the appellants argued the subject lot should be valued individually, with no regard to the parcels owned by Sgro Development Corporation or Peter M. Sgro. The Board finds the subject property in this appeal is adjacent or contiguous to six other parcels, which are owned by legal counsel and/or his brother and counsel's father (Sgro Development Corporation). Counsel's brother is also a business partner. The evidence in this record is clear that the subject parcel in this appeal is currently marketed for sale along with the other six aforementioned parcels as package for \$240,000. This undisputed fact shows there is not only a family relationship in name, but also a business relationship between these parties and entities. Additionally, the Board finds the listing price for the package of seven parcels further supports the proposed assessed value of the subject property offered by the board of review of \$31,920.

Furthermore, the Board finds the appellants presented no evidence or independent expert witness showing corner lots carry higher market values than interior lots in the subject's neighborhood. Thus, these aspects of the appellants claim were given no weight.

In conclusion, the Board finds the evidence in this record demonstrates the subject property is overvalued by a preponderance of the evidence, but not to the extent as argued by the appellants. Therefore, the Board finds the subject property's assessment as established by the board of review is incorrect and a reduction is warranted.

This is a final administrative decision of the Property Tax Appeal Board are subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



Member



Member



Member



Member

DISSENTING: \_\_\_\_\_

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: September 28, 2007



Clerk of the Property Tax Appeal Board

**IMPORTANT NOTICE**

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing

complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.